



Director of
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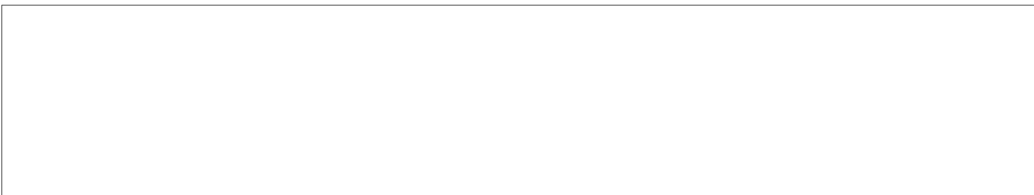
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LEBANON-US-FRANCE: More Terrorist Threats

Radical Lebanese Shias supported by Iran reportedly are planning to carry out attacks soon against US and French targets in Lebanon, the United Arab Emirates, and Saudi Arabia. []

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Comment: The Musawi clan probably was responsible for the bombings in Beirut on 23 October. Such radical Shia groups almost certainly will undertake further attacks in both Lebanon and the Persian Gulf region. []

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Lebanese Shia extremists, who may have been responsible for the truck bombings in Beirut yesterday, may view this weekend as an opportune time for further attacks. It will mark the end of the 40-day mourning period that was declared after the French and Israeli airstrikes last month on Shia camps in the Bekaa Valley. In addition, the extremists probably believe that security will be lax during the Christmas season. []

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Despite recent actions by the UAE to strengthen security around the US Embassy, the installation remains highly vulnerable to a terrorist assault. Moreover, poor coordination among domestic security services makes it unlikely that the government will be able to detect terrorist operations in advance. []

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Saudi internal security forces have increased measures to interdict attempted penetrations by terrorists, but the possibility for a successful attack on US targets remains high. Physical defenses around the American compound in Dhahran almost certainly could not withstand a well-planned car bomb attack, and Saudi security services apparently have little confidence in their ability to prevent such an incident. Although support for Iran among Saudi Shias has waned over the last two years, some Shia dissidents probably would actively assist Iranian subversive efforts. []

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NICARAGUA: Insurgent Operations

Insurgents are trying to seize territory in northern Nicaragua, and sporadic fighting continues elsewhere in the country. [redacted]

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[redacted] troops of the Nicaraguan Democratic Force are trying to establish control over part of the north. [redacted]

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[redacted] the insurgents' aim is to block major highways and control choke points to prevent the Sandinistas from resupplying their own forces in the region. [redacted]

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The US Embassy in Tegucigalpa has been told by Miskito Indian leaders that Misura guerrillas raided a Sandinista resettlement camp in northeastern Nicaragua and are headed for the Honduran border with a large number of Indian refugees. The local Roman Catholic bishop, a US citizen who has long worked in the area, reportedly is accompanying them. The Sandinistas claimed the bishop was kidnaped, however, and alleged yesterday that he had been killed. [redacted]

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Comment: The Sandinistas' deployment of artillery and some of their better troops indicates they regard the offensive in Nueva Segovia as a serious challenge. The insurgents evidently hope that, by departing from their hit-and-run tactics, they will strengthen their credibility as an alternative to the regime in Managua. Although they may score some temporary successes, they are unlikely to be able to hold towns against determined Sandinista counterattacks. [redacted]

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IRELAND-UK: Pressure To Ban Sinn Fein

Terrorist acts in the Republic of Ireland and the UK have prompted calls in both countries to ban Sinn Fein, the political arm of the Provisional Irish Republican Army. [redacted]

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Irish Prime Minister FitzGerald plans to raise such a proposal with opposition leader Charles Haughey as a result of the deaths last week of a soldier and a policeman in a shootout with terrorists. According to the US Embassy, no Irish soldier had been killed by the IRA since 1923. A high-level Army official told Embassy officers that the killing will provoke a "no holds barred" effort to stamp out terrorism. [redacted]

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British Northern Ireland Secretary Prior has indicated that he believes a ban on Sinn Fein would be ineffective. The bombing at Harrods in London over the weekend, however, has led to increasing pressure on Prior to proscribe the party. London is reviewing its policies of permitting Sinn Fein to operate freely in Northern Ireland and of maintaining limited contact with its representatives on specific constituency matters. [redacted]

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Comment: Both the Irish and the British Governments appear reluctant to ban Sinn Fein, in part because it could easily reappear under another name. Dublin is more likely to act, because Sinn Fein garners few votes in the Republic and because there appears to be bipartisan support for some form of retaliation against the IRA. Scattered violence in the Republic in the past has not aroused public sentiment against the IRA to the same degree as the recent killings. [redacted]

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In Northern Ireland, however, Sinn Fein won more than 40 percent of the Catholic vote during the general election last June. As a result, Prior probably is worried that a ban would only add to the party's appeal. Nevertheless, public outrage and the growing belief that Prior is "too soft" on terrorists could force the government to take action against the party. [redacted]

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IRAN: Controversy Over Taxes

Ayatollah Khomeini has reacted strongly to a recent ruling by one of Iran's most senior clerics and other scholars that apparently would exempt citizens from paying taxes when they are dissatisfied with the government. The ruling is binding on all followers of these clerics. Khomeini, in a speech on Saturday, said that such tax revenues were essential for funding the war and urged all clerics to support the regime instead of attacking it. Earlier this year senior clerics opposed to Khomeini urged their followers to engage in other nonviolent protests against government programs. [REDACTED]

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Comment: The religious ruling evidently was in response to popular complaints about continuation of the war and poor living conditions, and Khomeini was reacting to the threat to his regime posed by politicking of his senior opponents in the clergy. Even if followed by all Iranians, the tax ruling probably would not immediately affect Iran's ability to fund the war. In 1983 tax revenue totaled \$8 billion, or about 20 percent of Tehran's budget. According to the Iranian press, only some \$5.7 billion of the budget went directly to fund the war. [REDACTED]

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EC: Commitment on Tariff Cuts

The EC Foreign Affairs Council recommended on Monday that the Community move up by one year the Tokyo Round tariff cuts originally scheduled for 1 January 1986. The Community, however, attached the condition that projected EC economic growth for 1985 be at least 2 percent and that its main trading partners—the US and Japan—also advance the cuts. [REDACTED]

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Comment: Despite the declaration, the EC remains reluctant to take the lead on the pledge made at the Williamsburg Summit to roll back protectionist measures. When the EC Commission proposed the tariff cut acceleration as a first step on the pledge, the other summit countries supported it. The growth linkage calls into question the EC's commitment to the tariff cuts, because 2-percent growth is barely in line with EC estimates. [REDACTED]

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Special Analysis

WEST GERMANY: Focus on Foreign Policy

Chancellor Kohl's major preoccupation during 1984—outside of managing the economy—will be to restore the national consensus on security issues that helped to make West Germany a cooperative and stable ally for nearly three decades. Most observers believe this consensus was damaged by the four-year debate on INF. To repair the consensus, the government will encourage the US and the USSR to resume a dialogue and will demonstrate West Germany's commitment to improved economic and political relations with the East. Bonn also is likely to be more assertive in its relations with the US. It wants to dispel opposition charges that it is subservient to Washington. In addition, it believes it should receive special consideration in exchange for its willingness to accept INF deployments.

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Support for membership in NATO and close ties with the US are the two cornerstones of the consensus on security policy that all West German political parties traditionally supported. The Social Democrats' rejection of deployments and their criticism of the US were the first splits among the major parties on issues of importance to NATO in several decades. Moreover, the government's decision to accept deployments was opposed by a majority of the public.

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A Sense of Change

The Social Democrats' efforts to justify their policy reversal on INF by blaming Washington and the Kohl government for the failure of the Geneva talks has undermined the consensus they supported for more than 20 years, including 16 years in which they shared power. Although Social Democratic leaders remain committed to NATO, they argue that the Alliance does not always serve West German interests and that a rethinking of NATO strategy is in order. Moreover, the party leadership played up the US intervention in Grenada and pointed to selected statements by senior US officials to portray the US as militaristic and uninterested in arms control.

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Polls show that the Social Democrats' deep concern about West Germany's lack of control of nuclear and other weapons on its own territory is shared by many West Germans. This frustration has been aggravated by the INF debate. Even some Christian Democrats believe that Bonn has not given enough attention to the country's

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interests and that US actions sometimes make it more difficult to govern. Despite these concerns, the Christian Democrats did well in the election last March, because economic issues were dominant.

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Although polls continue to show strong support for NATO, there has been a substantial decline in confidence that Washington can manage the international situation. One recent poll shows a one-year drop from 53 percent to 39 percent in the share of the population that believes West Germany's security depends on cooperation between Europe and the US.

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Kohl fears that this public attitude may harm West Germany's longer term relationship with NATO. He is particularly concerned that young people will be influenced by anti-American sentiments and by charges that NATO does not serve West German interests.

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An increasing number of younger Germans are not favorably disposed toward the US. They may be less understanding than the current generation of leaders about the limitations on West Germany's room for maneuver in international affairs.

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Kohl's Task

Kohl will try to restore the security consensus by demonstrating that his government is not subservient to Washington, that it is promoting arms control efforts and an East-West dialogue, and that NATO serves West German interests. He will try to promote an arms control agreement reducing the number of missiles to be deployed in West Germany, or by an improvement in overall East-West relations.

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The manner in which the Soviets broke off the INF talks and their subsequent lack of flexibility has reduced the immediate need for the Kohl government to advocate changes in NATO's negotiating position or the planned deployment schedule. If the Soviets should show signs of flexibility or a readiness to resume negotiations, the West Germans probably would push for a positive Western response.

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In the meantime, Bonn will focus on restoring an East-West dialogue. It hopes that the Conference on Disarmament in Europe will promote such a dialogue and lead to a warming of East-West relations. The chances are good that the Kohl government will be out in front of most Allies concerning what the Conference should accomplish.

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The Kohl government will look for opportunities to reassure the Soviets and the East Europeans of its desire for good bilateral relations. It also wants to demonstrate to the West German public that economic and political relations with the East are unaffected. Last week Kohl renewed invitations for General Secretary Andropov and East German leader Honecker to visit Bonn.

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Next month there will be a meeting of officials from the policy planning staffs of the Foreign Ministries of the USSR and West Germany. Early in 1984 Kohl plans to visit Hungary and to meet with Soviet Foreign Minister Gromyko. In addition, the Chancellor is trying to arrange an East-West environmental conference to be held in West Germany.

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DIA Comment

DIA disagees with the thesis and the discussion that flows from it that Chancellor Kohl lacks solid support for his pro-NATO policies and acceptance of INF. The national elections last March endorsed the Kohl government's pro-NATO and pro-INF stance. More recently, the Christian Democrats voted unanimously and the Free Democrats overwhelmingly for a parliamentary resolution calling for INF deployment. The active opposition to INF, which comprises a distinct minority of the public, is concentrated in the Social Democratic Party and other leftwing factions. DIA believes that Kohl is not under tremendous domestic pressure to push Washington for concessions to bring about arms control agreements with Moscow or to highlight his independence from the US.

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